

Energy opportunities for the private sector

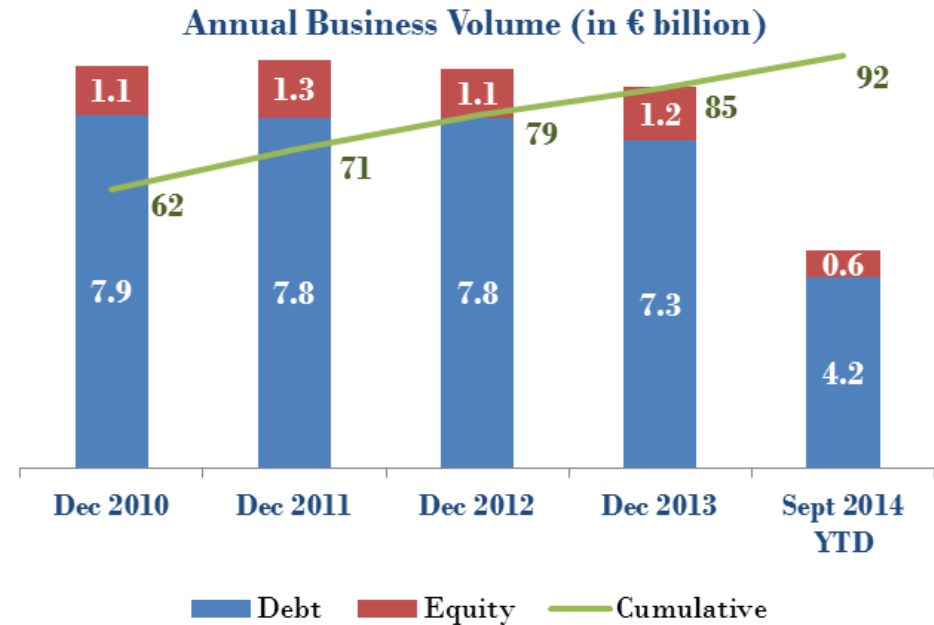
27 November 2014



European Bank
for Reconstruction and Development

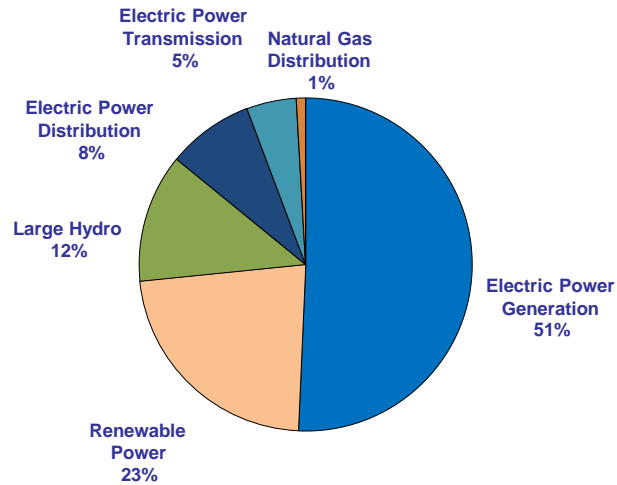
EBRD and Energy

- ✓ Triple A rated multilateral development bank
- ✓ €15bn invested in Energy since 1991
- ✓ €1.7bn invested in Energy 2013
- ✓ Over 300 Energy projects since 1991; 39 in 2013 alone
- ✓ Current Energy portfolio valued at € 8.2bn

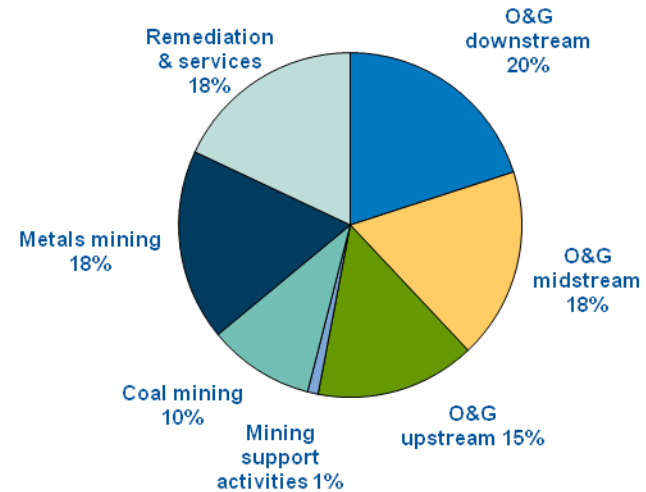




Active along the entire value chain

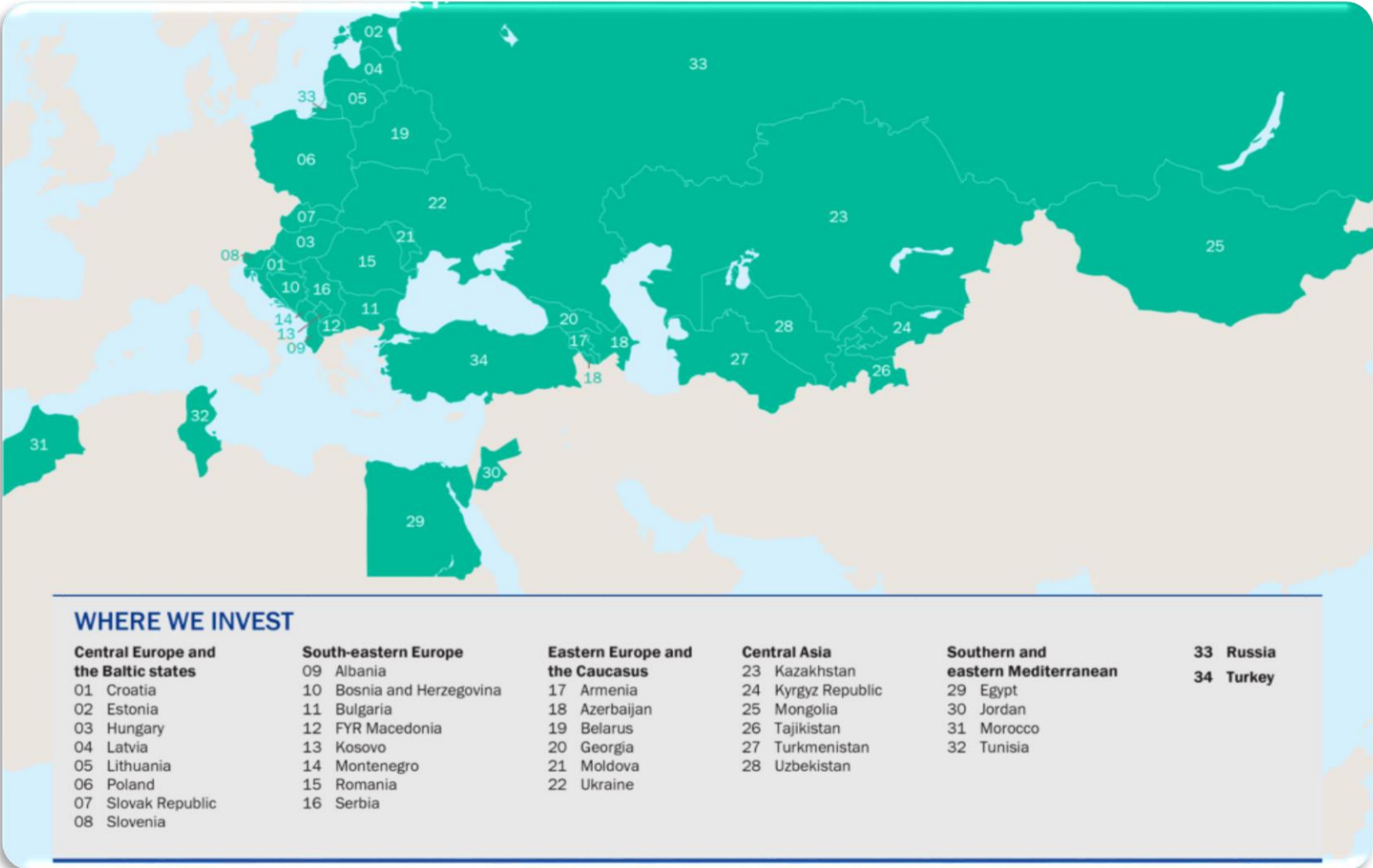


POWER & ENERGY
Financing by Sector
(2011– August 2014)



NATURAL RESOURCES
Financing by Sector
(2011– August 2014)

Where EBRD invests





EBRD's Mandate

- Advance transition to a full market economy (priority to promote private sector involvement, support corporatisation of public entities and market liberalisation)
- Support, but not replace, private investment: additionality (by providing longer tenors matching the projects cash flows, innovative structures or local currency financing)
- Apply sound banking principles to all projects (market based pricing, structures and covenants)
- Achieve environmentally sound and sustainable development

Transition - liberalisation of the energy sector



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- Strong independent regulator and pressure for regulatory reform
- Transparent and public rules on the operation of the market
- Liquid and efficient marketplaces
- Competitive pressure on incumbents
- Locational signals for new investment
- Open third party access on non discriminatory terms

Equity

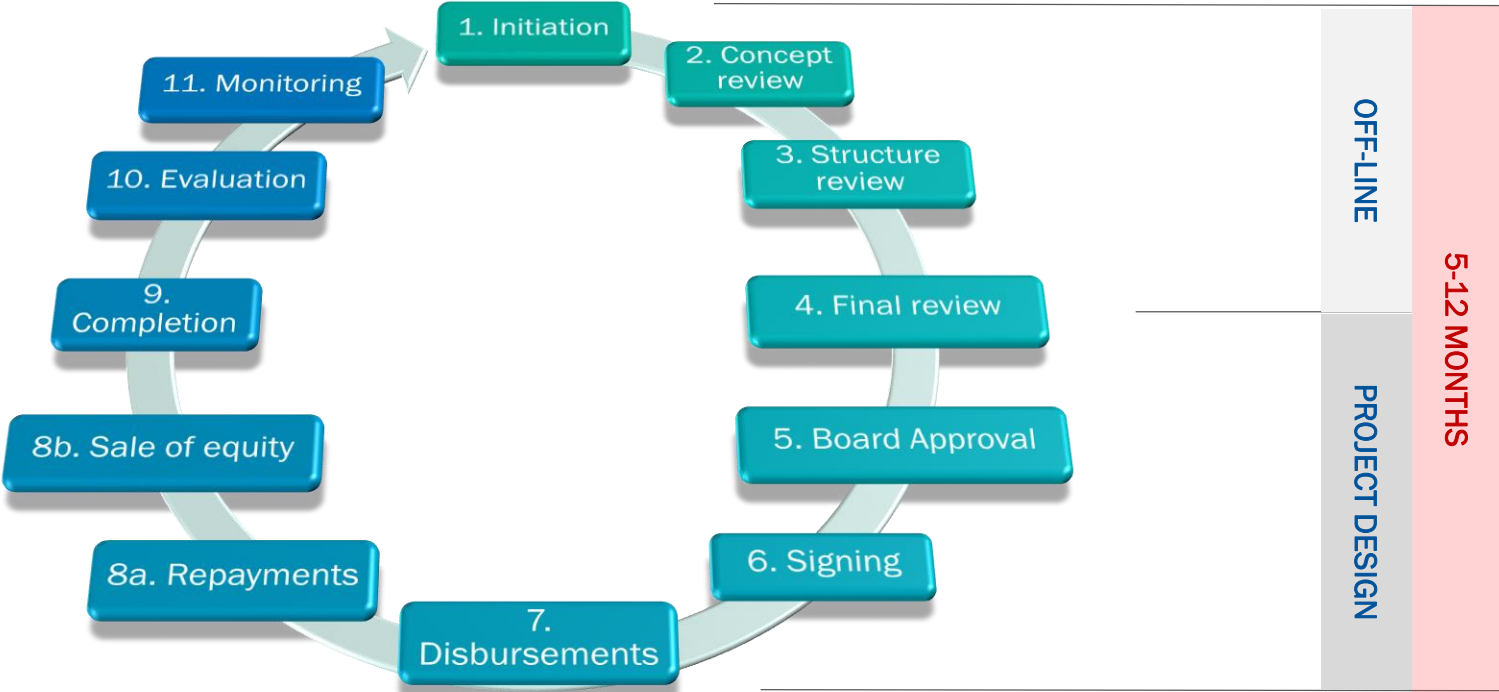
- Common stock or preferred
- Minority position only (up to 35%)
- Mezzanine
- Average 5-7 years investment
- Exit through IPO, trade sale or put/call agreement
- Exit subject to achievement of transition impact

Loans

- Senior, subordinated, convertible
- LT (up to 10y or more) or ST revolving
- Floating/Fixed rates
- Choice of currencies (€, US\$, RUB etc.)
- Project finance or corporate loans
- Possibility to syndicate or co-finance

Every €1 invested or lent by the EBRD mobilises €3.1 from other sources

Project Cycle



Salkhit Wind Farm, Mongolia



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- Borrower: Clean Energy LLC
- EBRD financing:
 - Equity EUR 5mln
 - Project finance 42mln
- 15 year tenor
- Construction of 50 MW Salkhit wind farm
- EBRD also provided EUR 366k of grant financing for environmental and regulatory framework studies
- The Project is first private power producer, first wind farm and first project financing in the country



- CMS is the owner of a copper mine 150 km south of Marrakech
- The company is one of few independent medium-sized private sector mining companies operating in Morocco
- EBRD financing: corporate loan USD 15m
- 7 year tenor
- Loan is assisting with national grid connection, plan modernisation and the introduction of corporate governance standards and an environment and social action plan.



Contacts



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